



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/470,180	12/22/1999	JAY MERVES	P/2167-112	5863

2352 7590 03/19/2004

OSTROLENK FABER GERB & SOFFEN  
1180 AVENUE OF THE AMERICAS  
NEW YORK, NY 100368403

EXAMINER
----------

DYE, RENA

ART UNIT	PAPER NUMBER
----------	--------------

3627

DATE MAILED: 03/19/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/470,180

Applicant(s)

MERVES ET AL.

Examiner

Rena L. Dye

Art Unit

3627

M6

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 19 December 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-44 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-44 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### *Claim Rejections - 35 USC § 103*

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wallman (US 6,360,210).

Wallman teaches a computer based system for reducing risk, for a given portfolio, by examining the expected risk, pricing it and transferring some or all of it in exchange for consideration (Abstract). Wallman teaches that a problem is solved by combining a graphical or other user interface accessible by the investor over the Internet or through an intermediary with a computational pricing mechanism that examines an investor's current portfolio expected risk, prices the expected risk, and transfers to a third party all of some of the expected portfolio risk or some other more general or different risk, such as market risk (column 5, line 64 to column 6, line 8; Figure 1,2). As illustrated in Figure 2, the user will select a portfolio of securities to be protected such as 40 stocks in varying percentages, the duration for the protection, such as 3 ½, 5 and/or 7 years, the amount of protection, such as no downside risk so that the end of the selected period the portfolio would have at least its current value, and the method of payment (column 9, lines 8-15).

According to Wallman, the method for managing risk underlying a portfolio of asserts/liabilities, includes the steps of a) receiving information about the portfolio from a user, including a list of assets/liabilities, current market values for each of the assets/liabilities, amount of each asset/liability (e.g. shares owned or a percentage of each issues as part of the entire portfolio), and an input of what the user wishes to have limited for downside risk (shielded or protected); b) storing the portfolio to be shielded; c) analyzing the portfolio using value-at-risk and sensitivity algorithms and probabilistic analysis to determine an expected likelihood of catastrophic loss in value; d) providing a series of choices to the user via the graphical user interface to select (i) a time period or periods for which the user seeks shielding from the market risk for the portfolio, and (ii) degree of market risk protection; and e) pricing the requested shielding and providing said pricing to the user.

With respect to claim 1, therefore, a financial report is produced (preamble of claim 1) to the user regarding a portfolio of assets/liabilities, and information is stored via the computer's memory. Since the portfolio is managed via a computer based system, an "electronic site on the computer network to which the users may connect" and "providing at least one electronic screen to the at least one user over the computer network, the at least one screen including the subset of financial performance data" would have to be present, or implied by the teachings of Wallman.

The methodology can be applied to securities as well as any series of assets or liabilities that have volatile returns and market or other risks that can be priced. Assets/liabilities include any of the following: foreign or domestic securities, equities, options warrants, mutual fund shares, commodities, bonds, notes, bills, derivatives, tradable assets or liabilities or any combination thereof, financial assets, limited partnerships interests, private placement securities,

Art Unit: 3627

foreign currencies, contracts, futures, bank loan syndication interests, debts, etc. (column 14, lines 55-63). It is well known in financial art, that assets, such as bonds, include a term of maturity and coupon rate printed on their face. Loans or notes are typically broken down into payments as a function of time.

Those assets/liabilities recited in the present claims, not specifically mentioned by Wallman, would be included within the teachings of the assets/liabilities of the reference.

A user accesses the computer-based system through a variety of communications systems, such as the Internet or any other computer network, or via third parties, such as a broker, bank, or other intermediary (contacts) (column 8, lines 48-67).

Although Wallman does not explicitly teach receiving search criteria over the computer network from at least one of the users for identifying at least a subset of financial performance data being arranged in a time series, it would have been obvious to one having ordinary skill in the art to have requested search information regarding assets/liabilities that could be added to the user's portfolio. In other words, the user could request a financial report wherein a proposed asset is added to the user's portfolio, in that the user could see the outcome/risk of adding the particular asset to the portfolio, and hedge against the risk of the proposed asset.

Since the user can select a portfolio of securities to be protected as indicated in column 9, lines 8-16, it would have been obvious to one of ordinary skill in the financial art to have requested a search of each of the securities prior to forming the portfolio, with the individual and resulting overall risk of the proposed portfolio prior to committing to the portfolio. It would have been obvious to one having ordinary skill in the art to have provided historical data, for each of the securities upon the search requested by the user.

***Response to Arguments***

3. Applicant's arguments filed on December 19, 2003 have been fully considered.

Applicant's arguments regarding the Brauns et al. (US 5,381,555) and Barton, III et al. (US 6,026,381) have been considered. Brauns et al. and Barton, III et al. fail to clearly teach the financial performance of a security, and also, an underlying security related to a security transaction.

The Examiner would like to point out that the effective filing date of Applicant's provisional patent application, 60/134,470, to which Applicant claims priority of the present patent application, is May 17, 1999. Applicant has indicated in the response filed on April 11, 2003 that the priority date is May 17, 1994, which is incorrect.

4. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Rena L. Dye whose telephone number is 703-308-4331. The examiner can normally be reached on Monday-Tuesday 8:30 AM - 5:00 PM EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert Olszewski can be reached on 703-308-5183. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3627

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

A handwritten signature in black ink, appearing to read 'Rena L. Dye', with a stylized, cursive flourish at the end.

Rena L. Dye  
Primary Examiner  
Art Unit 3627

R. Dye  
March 15, 2004